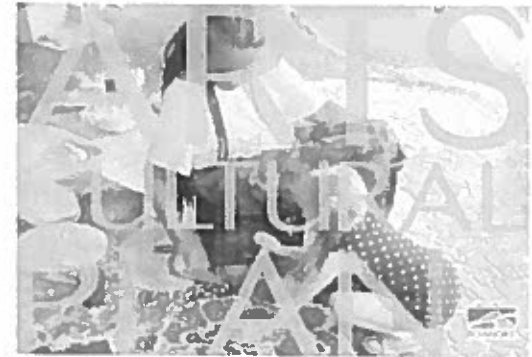


Sustainable Funding for Arts and Culture: Formation of the Roanoke Cultural Endowment

Update

April 6, 2015

City of Roanoke Commitment to the goal



- Council Member Trinkle began discussions about reshaping the way the city funds arts and culture
- Arts and Cultural Plan approved by City Council in August 2011 as part of Comprehensive Plan included this action:

“Study and recommend funding strategies to sustain arts and cultural organizations including dedicated funding sources, united arts fund drive, assets district, funder collaboration”.

- Mayor developed ACT (C = culture)
- The City Manager asked the **Roanoke Valley Alleghany Regional Commission (RVARC)** to conduct the funding research as part of their 2013 FY work plan and Roanoke Arts Commission researched other models



Process to Date

- David Trinkle was appointed as the Council Liaison and David Wine as the private liaison to Mayor's **ACT Committee**.
- **Survey to assess the sustainability needs of the organizations** conducted by Roanoke Arts Commission – showed a **\$2.7 million current operating gap and \$20 million in unmet capital needs over next two years**
- Presentation to City Council in April 2013 and on research
- David and David have met with **individual stakeholders** to begin discussions **multiple times over last two years**
- **Six Focus Groups held in August 2013** with Staff and Board members of the organizations
- **Economic Impact study** of Arts and Culture completed by RVAC and Roanoke Arts Commission – Presented at the Cultural Summit
- **Summit held on Oct. 30** to present three funding models from different communities

Summary of Arts & Culture Economic Impact Study



Roanoke Valley-Alleghany
REGIONAL
commission

- The size and **impact of the local industry sector is \$23,922,591.**
This is a measure of the relative size and impact of the industry.
- The Arts and Cultural Industry of the City of Roanoke generates **\$10,817,217 in new sales activity** in the Region as a result of new dollars attracted through visitation/tourism, and other funds from external sources.
- It is estimated that **116 jobs (full or part-time)** are supported per year. Indirect and induced impacts are responsible for the creation or retention of an estimated 68 additional jobs for a **total job impact of 184 jobs** supported through arts and cultural activities in the Region.

Key Messages from the Summit, Studies, Polls and Consultants

- Overwhelmingly, this is a good idea
- A 'Hybrid' model is suggested by the participants
- More Marketing and City Wide Economic opportunities as we will have a stronger "product"
- More Tourism, Education and Citizen benefits
- Confirm Roanoke as the hub of Arts, Culture and Entertainment by moving from a scarcity/survival model to a model that fosters strength, sustainability and more creativity for competitive organizations
- Think where we would be if started 30 years ago!

Funding by City of Roanoke – Ten Year History

- **Capital Funding – Total of \$ 8,898,400 over last ten years**

High of \$2,837,200 in 2007 (included \$2,500,000 to Taubman) to low of \$199,667 in 2009

- **Operational Funding – Total of \$3,894,505 over last ten years**

High of \$637,817 in 2008 to low of \$240,050 in 2005

Funding by City of Roanoke – Ten Year History Continued

- **Program Funding through RAC application process – Total of \$3,194,667 over last ten years**
High of \$403,436 in 2005 to low of \$269,220 in 2013
- **Total funding from the City of Roanoke over last ten years in all 3 categories - \$15,987,572**

Why Now

- Operational Funding is needed now more than funds for new facilities
- New funds have been invested in the Roanoke Valley Convention and Visitors Bureau so we need to invest in the collateral they are marketing, a stronger more cohesive product
- We need to foster greater collaboration among the arts and cultural groups
- Arts and culture is losing its market share of philanthropy to other charities such as human services and health
- The City of Roanoke has successfully focused on Quality of Life amenities as an economic engine for the region, this further fuels this engine at a critical time for decades to come
- This is a needed long-term solution, not a short term fix

Suggested Hybrid Structure: Supported by Council Resolution

Public-Private Approach is the key:

- Develop a public private endowment which could then fund the endowment portion (should be near 25%) of operations
- Have a vetted application process as the Arts Commission now uses for program funding: predictable, fair and non-political
- City could commit X number of dollars for X number of years to place in an endowment
- Maintain the program funding through the Arts Commission process until the endowment is running
- Small, large, corporate, planned giving with new approaches and new technology- all can participate and know dollar reaches further when combined with public funds

Public Hearing and Passing of Resolution # 39867-021814 on 2-18-14:

“endorsing the creation and development of a private, charitable organization to provide a sustainable revenue source for arts and cultural organizations that serve the citizens of Roanoke; committing the support of the City of Roanoke to this model as a way for the City of Roanoke to energize its commitment to arts and cultural organizations within the City; and recognizing the importance of the arts and cultural organizations to the fabric of the economy of the City of Roanoke.”

passed unanimously 6-0

The Roanoke Cultural Endowment (RCE)

- Much work has been done on the “private” side in collaboration with the city over the last year
- Bylaws, non-profit status and accounts have been set up
- The board make up has been determined on the private side
- Have had continued meetings with stakeholders and ED’s:
Continued Strong Universal Support!
- Silent phase underway privately, soft asks successful and on route to \$125,000 by June 1
- Plans are to hire a full or part time Executive Director, “Champion of the Campaign”, for development and aid with protocols

The Roanoke Cultural Endowment (RCE): Board Appointees

- **The Board Appointees:**
 - David Wine
 - David Trinkle
 - Warner Dalhouse
 - Bill Elliot
 - Katherine Walker
 - Lucas Thornton
 - Sarah Tune
- **City Council to Appoint Two (2) Members to 3 year terms**

The Weeds:

- Tiers of Organizations
- Definition of Arts and Cultural Organizations
- Put in place a Rigorous, Diligent Process to Responsibly grant money to Vetted Organizations
- Sustainable and Predictable Funding: 3 years, 5 years, 7 years with yearly benchmarks
- Endowment size, \$20 million, 5% spin off
- Explore where effective to incentivize collaboration, sharing of costs where appropriate
- Continue to work closely with stakeholders and ED's as this process is developed

A Long Term Strategy

RCE Summary

- This is a **NEW** stream of money that compliments existing campaigns and fundraising approaches
- Novel mixing of public and private funding that helps organizations meet the healthy budgeting aspect of “25% operations” coming from an endowment
- This is a long term strategy: **A Long Term Investment for Long Term Sustainability**
- This takes “politics” out of the process and makes it Fair, Predictable, and Sustainable for Generations of Roanoke citizens and visitors to come

Next Steps

- City Funding for 2014-2015
- Private commitment of at least \$125,000 this fiscal year
- Appropriated funds for 2015-2016 Budget
- Council appointments to Board
- Hiring of a staff development lead
- Continued outline of protocols and procedures (remove the Weeds!)
- Initiation of long term development with short term goals and milestones
- Continued work with ED's and Stakeholders
- Report back to Council yearly